



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

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Application of Southern California Edison
Company (U 338-E) for Approval of its Energy
Savings Assistance and California Alternate
Rates for Energy Programs and Budgets for
Program Years 2021-2026.

Application A.19-11-____

APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
FOR APPROVAL OF ITS ENERGY SAVINGS ASSISTANCE AND CALIFORNIA
ALTERNATE RATES FOR ENERGY PROGRAMS AND BUDGETS
FOR PROGRAM YEARS 2021-2026

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Dated: **November 4, 2019**

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ALTERNATE RATES FOR ENERGY PROGRAMS AND BUDGETS FOR PROGRAM
YEARS 2021-2026**

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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
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Application of Southern California Edison Company (U 338-E) for Approval of its Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets for Program Years 2021-2026.

Application A.19-11-____

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I.

INTRODUCTION

Pursuant to Rules 1 and 2 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC), and in accordance with Decision (D.) 16-11-022 as modified by D.17-12-009, and D.19-06-022¹ (hereinafter referred to as the “Guidance Document”), Southern California Edison Company (SCE) respectfully files this Application and requests that the Commission approve its Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Budgets for Program Years 2021-2026. SCE’s request consists of this Application, supporting testimony (preliminarily identified as Exhibits SCE-01, SCE-02, SCE-03, and SCE-04) and supporting material (Exhibits SCE-05 and SCE-06).

¹ D.19-06-022, dated July 28, 2019, includes Attachments A and B.

SCE's Testimony provides additional details regarding SCE's proposed ratemaking treatment for its request.

II.

BACKGROUND

SCE's CARE and ESA programs serve approximately 1.2 million income-qualified customers² throughout SCE's service territory, through discounted energy rates, installation of no-cost energy-efficient equipment, information and education to promote energy efficient practices, and measures that provide for customer health, comfort, and safety.

In the 2021-2026 cycle SCE envisions a significant change in the design and delivery of its income-qualified program (IQP) portfolio, particularly the ESA program. The Guidance Document directs SCE to propose an innovative program design that considers the current policy landscape and incorporates the following elements into its 2021-2026 programs: (1) measures for deeper energy savings; (2) innovative program designs for the multifamily sector; and (3) opportunities for job training, job creation, and pathways to employment for members of low-income or disadvantaged communities (DACs).³ This Application and supporting Testimony describe how SCE's proposal meets these requirements.

III.

SUMMARY OF SCE'S REQUESTS

In this Application and supporting Testimony, SCE describes its IQP portfolio for the 2021-2026 program period. SCE requests Commission approval of its ESA, CARE, Family Energy Rate Assistance (FERA) and Workforce Education & Training (WE&T) programs, and respective budgets. Approval of this Application will allow SCE to provide support to its low-

² Income eligibility for the CARE and ESA programs is set at 200% or below of the Federal Poverty Guideline (FPG). Income eligibility for the FERA program is set at 250% of the FPG.

³ Guidance Document, p. 9.

income customers through the continuation of previously successful programs and through implementation of new programs that will drive deeper savings among program participants, introduce original approaches to ESA program delivery, and focus on innovative uses of technology to support the State's clean energy policies.

First, SCE seeks approval of its ESA program plans and proposed budget of \$485.6 million for the 2021-2026 cycle, which will further the Commission's objectives of offering ESA participants opportunities to reduce greenhouse gas (GHG) emissions, improve energy efficiency, and generate deeper energy savings while meeting the ESA program's health, comfort, and safety goals.

Second, SCE seeks approval of its CARE and FERA Program plans and proposed budget of \$63.4 million for the 2021-2026 cycle. Adoption of SCE's proposed CARE and FERA program plans and proposed budget will support the Commission's objective of increasing participation in CARE to 90 percent and FERA to 50 percent of all eligible and willing customers. SCE's CARE and FERA proposal includes the continuation of SCE's previously successful CARE and FERA efforts as well as new programs, including targeted marketing, education, and outreach efforts designed to increase program awareness and participation.

Third, SCE seeks approval of its WE&T program plans and a proposed budget of \$29.7 million for the 2021-2026 cycle. SCE's proposed new WE&T program is designed to create job opportunities in low-income communities and DACs. Adoption of SCE's WE&T program and budget will further the Commission's objective of increasing economic opportunities in low-income communities and DACs.

Lastly, while SCE requests the Commission authorize a \$578.7 million budget to support its programs in years 2021-2026, SCE proposes to use approximately \$72.7 million unspent and uncommitted funds from prior program periods to offset SCE's proposed ESA funding request. If approved, SCE's would seek to recover \$511.7 million in rates over the 2021-2026 period.

IV.

ORGANIZATION OF SCE'S TESTIMONY

SCE's Testimony submitted to support this Application has six volumes and follows the direction provided in the Guidance Document. SCE's Testimony has preliminarily been marked for identification as Exhibits SCE-01, SCE-02, SCE-03, SCE-04, SCE-05 and SCE-06 and is organized as follows:

- SCE-01, *Policy Considerations for Southern California Edison Company's Energy Savings Assistance (ESA) and California Alternative Rates for Energy (CARE) Programs and Budgets for Program Years 2021-2026*, summarizes the legal, regulatory, and policy foundations for SCE's 2021-2026 Income Qualified Program plans and budgets.
- SCE-02, *ESA Programs and Budgets for the Program Years 2021-2026*, describes SCE's proposed ESA program goals, budget, and program delivery and implementation plans — including marketing and outreach — as specified in Section I of Attachment A to the Guidance Document. This exhibit describes SCE's proposed tiered delivery structure, Multifamily Whole Building Program, and building electrification pilots.
- SCE-03, *CARE and FERA Programs and Budgets for the Program Years 2021-2026*, describes SCE's proposed CARE program goals, budget, program delivery, and implementation plans — including marketing and outreach — as specified in Section II of Attachment A to the Guidance Document. This exhibit also describes SCE's proposed FERA administration program.
- SCE-04, *WE&T Programs and Budgets for the Program Years 2021-2026*, describes SCE's proposed WE&T program goals, budget, and program delivery and implementation plans.

- SCE-05, *Supporting Documents*, is comprised of a Compliance Table and Excel spreadsheets. The Commission’s Guidance Document included two attachments, Attachment A (Application Guidelines) and Attachment B (Excel Spreadsheets). SCE-05 includes a Compliance Table that provides the location in SCE’s testimony that corresponds to each prompt included in Attachment A to the Guidance Document. SCE-05 also includes the Excel spreadsheets from Attachment B.
- SCE-06, *Appendices*, is comprised of the Appendices to the Testimony, including witness qualifications.

V.

EXECUTIVE SUMMARY

SCE seeks to increase customer participation in its income-qualified programs through the proactive and innovative approaches proposed in this Application. In the Guidance Document, the Commission asked the IOUs to propose innovative programs to encourage deeper energy savings and reduce energy use. SCE’s proposed IQP portfolio offers new energy-saving measures, new program processes, and efficiencies that will encourage participation and provide deeper energy savings.

SCE’s proposals will modernize its ESA program delivery to more efficiently serve SCE’s customers. For example, for customers in single-family dwellings and mobile homes, SCE is introducing a needs-based, tiered structure in which specific measures will be offered to customers based on their level of electricity usage and opportunity for energy savings. For customers in the multifamily sector, SCE will solicit third parties to design and deliver services using a whole building approach, which will encourage program participation.

SCE’s proposals support the State’s clean energy, energy savings, and GHG reduction goals through the use of electrification technology. SCE proposes two pilots that will incorporate high-efficiency electrification measures into customer homes. One pilot will target high-energy users, particularly those customers residing in DACs, and focus on retrofitting existing buildings

with a variety of electrification technologies. A second pilot proposes to encourage building decarbonization by providing incentives to low-income housing developers to encourage the incorporation of electrification into the design and construction of affordable housing.

SCE is expanding outreach efforts to hard-to-reach and vulnerable customers, and to customers in DACs to increase their participation in SCE's IQP offerings. SCE proposes to continue to encourage all eligible customers to participate in the CARE and FERA programs while protecting ratepayers from subsidizing ineligible participants. While SCE will continue to implement its previously successful CARE and FERA efforts, it expects increased participation in its CARE and FERA programs by improving its marketing, education, and outreach programs beyond SCE's previously successful efforts.

SCE's proposed WE&T program will provide training to customers in DACs, creating pathways to employment for members of these communities. SCE expects that the new WE&T program will support a more robust workforce to better serve SCE's income-qualified programs and customers, provide community employment benefits, create opportunities for career growth, and enhance overall customer satisfaction.

In this Application, including supporting Testimony and Exhibits, SCE seeks approval from the Commission for its ESA and CARE programs and budgets for program years 2021-2026. The specifics of SCE's requests are set forth in detail in SCE's supporting Testimony (preliminarily identified as Exhibits SCE-01, SCE-02, SCE-03, SCE-04, SCE-05, and SCE-06).

VI.

SCE'S REQUEST FOR APPROVAL OF ITS ESA AND CARE PROGRAMS AND BUDGETS FOR PROGRAM YEARS 2021-2026

SCE's ESA, CARE/FERA, and WE&T proposals, detailed in SCE's supporting Testimony, Exhibits SCE-02, SCE-03, and SCE-04, are designed to address customer needs while maintaining compliance with all statutory and regulatory requirements. SCE's proposal

incorporates recommendations that can enhance cost-effective service delivery, increase value to customers, and minimize administrative costs.

A. SCE's ESA Proposal

SCE's proposed ESA program is designed to increase energy savings, improve program delivery and cost effectiveness, and provide all services to each participating household with greater efficiency and value. In this program cycle, SCE proposes several new, innovative, ESA programs consistent with the Commission's guidance in D.19-06-022 "to propose alternative program designs."⁴ SCE's proposed ESA programs will more effectively serve ESA customers, provide new programs for the multifamily sector, and offer electrification options to support California's clean energy goals. SCE's ESA proposals are described in detail in Exhibit SCE-02.

The Commission asked the IOUs to identify and prioritize the households that will be targeted in the 2021-2026 ESA programs.⁵ Historically, SCE offered a one-size-fits-all approach to the ESA program: all ESA-eligible customers were able to receive all available ESA measures. Though SCE has had success using this streamlined and simple approach to deliver the ESA program, SCE proposes to transition away from this approach in 2021-2026 and deliver ESA measures based on the actual needs of specific customers. This delivery approach will allow SCE to make more effective use of program funds in the 2021-2026 period and better align measure costs with the potential to achieve deeper savings.

SCE proposes to use a tiered structure to treat qualifying households. SCE will consider several factors such as customer habits, energy use, and potential bill savings to evaluate customer needs and more effectively target program delivery. Customers with the highest monthly usage and greatest opportunity to realize deeper energy savings will receive an enhanced package of measures, while customers with low to moderate usage will receive a package of standard measures.

⁴ D.10-06-022, p. 9.

⁵ Guidance Document, p. 10.

The ESA Tier 1 Standard package will offer basic measures to assist customers who already have lower average bills and do not stand to benefit from higher-cost energy efficiency measures. The ESA Tier 2 Enhanced package will be offered to customers whose energy use exceeds 300 percent of the baseline allowance at least once over a rolling 12-month period. Tier 2 customers will have greater potential for bill reduction through more advanced measures, such as central air conditioning, pool pumps, and attic insulation. This approach is meant to direct ESA program dollars to programs that will not only assure the biggest customer savings but will also result in the deepest reductions to energy consumption.

SCE proposes a new approach for delivering services to the multifamily segment. In accordance with Commission guidance,⁶ SCE proposes to have a third-party design and implement the Multifamily Whole Building (MFWB) program. SCE anticipates that a third-party will overcome existing barriers to multifamily participation in ESA by providing innovative offerings and by leveraging existing relationships to efficiently reach the multifamily market segment. A streamlined whole-building program, rather than separate in-dwelling and common area programs, will allow multifamily property owners to more easily employ ESA resources and measures, encouraging participation from this historically underserved customer segment.

SCE's ESA program also includes elements that support the State's goal to reduce GHG emissions. SCE proposes two new pilot programs to further support the State's clean air policy initiatives through electrification measures. In the first, SCE will provide an opportunity for high-usage, income-qualified single-family households in DACs to participate in a building electrification pilot to receive electrification offerings. SCE will also offer a Clean Energy Homes pilot which would provide incentives for low-income housing developers to incorporate electrification into the designs of new construction by providing incentives and education to developers of affordable housing.

⁶ Guidance Document, p. 9.

Finally, SCE will continue to retain best practices from the current program cycle that have proven to succeed and provide value to customers. SCE will continue to coordinate with other low-income program providers, will continue to provide referrals to other low-income programs provided by SCE, will continue the mid-cycle review process, and will prioritize assistance for those customers that need it the most.

B. SCE's CARE/FERA Proposal

The CARE and FERA programs provide a discount on electricity rates for qualifying low-income customers. Consistent with Commission direction, SCE seeks to reach and maintain the Commission's 90 percent penetration goal for CARE⁷ and 50 percent penetration goal for FERA.⁸ SCE's CARE and FERA proposals are described in detail in Exhibit SCE-03.

During the 2021-2026 program cycle, SCE will continue several existing CARE efforts from the prior cycle, which have resulted in an 88 percent enrollment rate.⁹ SCE also proposes new programs to further simplify the customer enrollment process, to improve SCE's ability to target hard-to-reach and vulnerable customers, and to increase participation by decreasing barriers, leveraging other programs, and streamlining enrollment and income verification processes.

SCE plans to continue to encourage all eligible and willing customers to participate in CARE while protecting ratepayers from subsidizing ineligible CARE participants. While SCE continues to verify customer eligibility based on household income and/or participation in other public assistance programs through its traditional Post Enrollment Verification (PEV), SCE proposes a change to the high-use (HU) PEV activities ordered in D.12-08-044.¹⁰ SCE proposes to increase the threshold for requiring HU PEV from a one-time use in excess of 400 percent of

⁷ D.08-11-031, Ordering Paragraph (OP) #89.

⁸ See D.18-11-027, OP 13, *see also* SCE AL 3972-E and 3972 E-A.

⁹ Monthly Report of SCE on Low-Income Assistance Programs for September 2019. In A.14-11-007. October 21, 2019, Table 2.1.

¹⁰ See D.12-08-044, pp. 217-221.

baseline in a 12-month period to a three-time use in excess in a 12-month period to minimize the removal of eligible CARE customers from the program and minimize SCE's undue administrative costs.

SCE also proposes several comprehensive marketing and outreach strategies and tactics to reach hard-to-reach populations to substantially increase FERA program enrollment through 2026 to meet the Commission's 50 percent enrollment target.

C. SCE's WE&T Proposal

In this Application, SCE proposes to add the WE&T program as a standalone component to SCE's low-income portfolio offerings. The WE&T program will focus on training and educating workers in historically underserved areas such as DACs, while continuing to support a robust labor pool for the wider industry, comprised of qualified contractors. This is to ensure that equipment is properly installed, commissioned, and maintained, while buildings are designed, constructed, and retrofitted consistent with best practices and technical specifications for energy efficiency. SCE's WE&T proposal is described in detail in Exhibit SCE-04.

The WE&T program will be proposed, designed, and delivered by a third party selected through an open and competitive solicitation process. The third-party implementer will be required to work with learning institutions such as community colleges and trade schools, community-based organizations, workforce development boards, and others to develop curriculum and design programs to deliver the training. Having one consolidated WE&T program delivered by a third-party vendor will better engage and serve SCE's income-qualified programs and customers by supporting a more robust workforce and providing community employment benefits.

Funding for the new WE&T program would come from SCE's IQP portfolio, rather than the energy efficiency (EE) portfolio. Moving the funding source to the IQP portfolio from the EE portfolio will consolidate some of SCE's services for customers in DACs and allow SCE to align

its effort more closely with the ESA program while also providing training on all EE measures, not just those eligible for ESA.

D. SCE's Revenue Requirements and Cost Recovery

To implement the programs set forth in this Application for the 2021-2026 program cycle, SCE asks the Commission to approve a budget of \$485.6 million to fund its ESA programs, \$63.4 million to fund its CARE administration costs (including FERA), and \$29.7 million to fund its WE&T program for a total 2021-2026 program cycle authorized budget of \$578.7 million.

SCE's proposed revenue requirement (including Franchise Fees and Uncollectibles (FF&U)) is \$511.7 million. SCE seeks Commission approval of its proposal to offset future collections for the ESA program through unspent funds from prior funding cycles. Specifically, SCE seeks approval to offset the proposed \$485.6 million ESA budget by approximately \$72.7 million in prior ESA cycle unspent and uncommitted funds. Applying these funds will bring SCE's ESA budget request down from \$485.6 million to \$412.8 million (\$417.6 million including FF&U). SCE's CARE revenue requirement is \$64.1 million and WE&T revenue requirement is \$30.0 million, inclusive of FF&U.

SCE seeks no change to either the currently approved ESA ratemaking treatment¹¹ or the currently approved CARE Balancing Account (CBA) ratemaking treatment.¹² SCE seeks

¹¹ SCE's current ratemaking associated with its ESA program includes: 1) the recovery of the Commission-authorized ESA revenue requirement through the operation of the Public Purpose Programs Adjustment Mechanism (PPPAM); and 2) the comparison of the authorized ESA revenue requirements with actually incurred ESA expenses in the Energy Savings Assistance Program Adjustment Mechanism (ESAPAM). *See* D.05-04-052, D.05-12-026, D.06-12-038, D.08-11-031, and D.12-08-044.

¹² *See* D.05-04-052, D.05-12-026, D.06-12-038, D.08-11-031, D.12-08-044, and D.14-08-033. SCE will include the FERA discount in the CARE surcharge and allocate to non-CARE residential customers until the FERA balancing account is established.

Commission approval to roll over any unspent annual funds from the 2021-2026 cycle to the following year.¹³

SCE proposes to include the WE&T program funding revenue requirement in its Public Purpose Programs revenue requirement and Public Purpose Programs Charge (PPPC) rate levels, which applies to all customers. SCE proposes to establish a one-way Workforce Education and Training Balancing Account (WETBA) to record on a monthly basis the difference between the authorized WE&T revenue requirement and the recorded expenses. SCE proposes to return any over-collected ending balance to customers when the authorized revenue requirement is in excess of the recorded program expenses. SCE proposes to dispose of the over-collected balance on an annual basis in its annual Energy Resource Recovery Account (ERRA) Review proceeding. SCE will include testimony specifically addressing the recorded operation of the WETBA in the ERRA proceeding for Commission review to ensure that the recorded entries made in the WETBA are stated correctly and are consistent with Commission decision(s).

E. Rate Impacts

Given the six-year rate period, if SCE's Application is approved, SCE will seek annual rate recovery of \$85.3 million: \$69.6 million in expense for the ESA program portfolio, \$10.7 million in expense for CARE and FERA program administration, and \$5.0 million in expense for the WE&T program.

The proposed 2021-2026 ESA budget of \$80.9 million is \$4.4 million less than the \$85.3 million ESA budget approved by the Commission in 2020. However, SCE's total revenue requirement for 2021-2026 will be an increase of \$3.8 million over the approved 2020 revenue requirement. This is because in 2020, the Commission offset the annual ESA budget of \$85.3 million by \$20.2 million from prior cycle unspent/uncommitted funds, for a total 2020 revenue

¹³ SCE's proposal to apply unspent and uncommitted funds from prior ESA program cycles to the 2021-2026 ESA program is described in its supporting testimony, SCE-02, Section I.C.2.c.

requirement of \$65.8 million.¹⁴ In 2021-2026, SCE is proposing to offset the annual \$80.9 million budget by \$12.1 million from prior cycle unspent/uncommitted funds, for a total annual revenue requirement of \$69.6 million. If approved, the total annual rate recovery for the ESA program portfolio would be \$69.6 million, an increase of \$3.8 million from the 2020 authorized amount of \$65.8 million. This increase is necessary to fund the new ESA programs proposed by SCE.

The annual amount of \$10.7 million SCE seeks to recover for the CARE and FERA programs is \$4.0 million more than the 2020 authorized amount of \$6.7 million. This increase is necessary to reach the Commission's 90 percent CARE and 50 percent FERA enrollment targets. Beginning in 2021 SCE proposes to recover the annual amount of \$5.0 million for the WE&T program in this proceeding instead of in SCE's annual EE Program.

If SCE's request is approved as proposed, based on the 2021-2026 program cycle combined revenue requirement for the ESA, CARE/FERA, and WE&T programs, SCE's ratepayers will see an annual average program cycle increase of \$12.7 million per year over 2020 revenue requirements.

The following table compares SCE's current bundled average rates estimated for 2021, by customer group, to proposed bundled average rates in 2021 if SCE's revenue requirement and revenue allocation proposal for the 2021-2026 IQP portfolio, including the application of unspent and uncommitted funds to the ESA Program, is approved by the Commission.

¹⁴ As adopted in Energy Division's non-standard disposition of SCE Advice 3743-E, 3743-E-A, 3743-E-B, AL 3824-E, 3824-E-A on January 4, 2019.

SCE's 2021 IQP Impacts

Bundled Average Rates			
Customer Group	Current Rates (¢/kWh)	Proposed Rates (¢/kWh)	% Change over current
Residential	25.39	25.41	0.09%
Lighting - Small and Medium Power	21.56	21.58	0.07%
Large Power	14.80	14.81	0.09%
Agricultural and Pumping	16.97	16.98	0.07%
Street and Area Lighting	23.32	23.33	0.06%
Standby	11.32	11.33	0.08%
Total	21.09	21.10	0.08%

500kWh/Month	Current (\$/month)	Proposed (\$/month)	Change (%)
Non-CARE Residential Bill	148.79	148.91	0.08%
CARE Residential Bill	100.53	100.61	0.08%

If the Commission does not approve SCE's proposal to apply unspent and uncommitted funds to the ESA Program, these funds will not be used to offset collections from all customers, and an average non-CARE residential customer using 550 kWh per month could see a monthly bill increase of 0.16%, from \$148.79/month to \$149.02/month. SCE noticed this higher rate impact in its customer notice.

VII.

PROCEDURAL REQUIREMENTS

A. Statutory and Procedural Authority

This Application is made pursuant to D.19-06-022, the Commission's Rules of Practice and Procedure, and the California Public Utilities Code.

SCE's request complies with the Commission's Rules of Practice and Procedure Rules 1.5 through 1.11 and 1.13, which specify the procedures for, among other things, filing documents. In addition, this request complies with Rules 2.1, 2.2 and 3.2.

Rule 2.1 requires that all applications: (1) clearly and concisely state authority or relief sought; (2) cite the statutory or other authority under which that relief is sought; and (3) be verified by the applicant. Rule 2.1 sets forth further requirements addressed separately below.

The relief being sought is summarized in Section III (Summary of SCE's Requests), Section V (Executive Summary), Section VI (SCE'S Request for approval of its ESA and CARE Programs and Budgets for Program Years 2021-2026), and Section VIII (Conclusion), and is further described in SCE's supporting Testimony, preliminarily identified as Exhibits SCE-01, SCE-02, SCE-03, and SCE-04 accompanying this Application.

The statutory and other authority for this request includes, but is not limited to, California Public Utilities Code Sections 451, 454, 454.3, 491, 701, 702, 728, 729, Article 2 and Rule 3.2 of the Commission's Rules of Practice and Procedure, and prior decisions, orders, and resolutions of this Commission.

SCE's Application has been verified by an SCE officer as provided in Rules 1.11 and 2.1.

B. Proposed Categorization

Rule 1.3(e) of the Commission's Rules of Practice and Procedure defines ratesetting proceedings as "proceedings in which the Commission sets or investigates rates for a specifically named utility (or utilities) or establishes a mechanism that in turn sets the rates for a specifically named utility (or utilities)." This application includes SCE's request for Commission approval of its ESA and CARE programs and budgets for program years 2021-2026, including a request to recover the costs of these programs through rates. Therefore, SCE proposes that this proceeding be categorized as ratesetting.

C. Need for Hearings, Issues to be Considered, and Proposed Schedule

The need for hearings and the issues to be considered in such hearings will depend largely on the degree to which other parties contest SCE's request. SCE does not believe that evidentiary hearings will be required in this proceeding, however, SCE's proposed procedural

schedule, below, includes time for hearings. However, the need for hearings will ultimately be determined by the assigned administrative law judge(s).

The primary issue for the Commission to consider here is the reasonableness of SCE's proposal for its ESA and CARE programs and budgets for program years 2021-2026.

SCE proposes a final decision by September 2020. If a final decision is not made before November 16, 2020, the Commission will authorize bridge funding to cover program activity through June 30, 2021.¹⁵

SCE and the other IOUs have discussed the schedule for this proceeding and are substantially aligned. Therefore, SCE proposes the following schedule:

Application Filed	November 4, 2019
Protests ^[1]	December 6, 2019
Replies to Protests	December 16, 2019
Prehearing Conference	January 2020
Testimony of Interested Parties	March 6, 2020
Rebuttal Testimony/Replies to Comments	April 3, 2020
Evidentiary Hearings	April 27, 2020
Opening Briefs	May 22, 2020
Reply Briefs	June 15, 2020
Proposed Decision	July 27, 2020
Comments on Proposed Decision	August 17, 2020
Reply Comments on Proposed Decision	August 22, 2020
Final Decision	September 2020

[1] Protests to applications are due 30 days from the notice of the application on the Commission's calendar.

D. Legal Name and Correspondence – Rules 2.1(a) and 2.1(b)

The legal name of the Applicant is Southern California Edison Company (SCE). SCE is a corporation organized and existing under the laws of the State of California, and is primarily engaged in the business of generating, purchasing, transmitting, distributing and selling electric energy for light, heat and power in portions of central and southern California as a public utility subject to the jurisdiction of the Commission. SCE's properties, substantially all of which are

¹⁵ D.19-06-022, OP 2.

located within the State of California, primarily consist of hydroelectric and thermal electric generating plants, together with transmission and distribution lines and other property necessary in connection with its business.

SCE's principal place of business is 2244 Walnut Grove Avenue, Rosemead, California, and its post office address and telephone number is:

Southern California Edison Company
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-1212

SCE's attorneys in this matter are Lauren Goschke and Olivia Samad. Correspondence or communications regarding this Application should be addressed to:

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To request a copy of this Application, please contact:

Case Administration
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E. Organization and Qualification to Transact Business – Rule 2.2

A copy of SCE's Certificate of Restated Articles of Incorporation, effective on March 2, 2006, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 14, 2006, in connection with Application No. 06-03-020, and is

incorporated herein by this reference pursuant to Rule 2.2 of the Commission's Rules of Practice and Procedure.

A copy of SCE's Certificate of Determination of Preferences of the Series D Preference Stock filed with the California Secretary of State on March 7, 2011, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2011, in connection with Application No. 11-04-001, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series E Preference Stock filed with the California Secretary of State on January 12, 2012, and a copy of SCE's Certificate of Increase of Authorized Shares of the Series E Preference Stock filed with the California Secretary of State on January 31, 2012, and presently in effect, certified by the California Secretary of State, were filed with the Commission on March 5, 2012, in connection with Application No. 12-03-004, and are by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series F Preference Stock filed with the California Secretary of State on May 5, 2012, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 29, 2012, in connection with Application No. 12-06-017, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series G Preference Stock filed with the California Secretary of State on January 24, 2013, and presently in effect, certified by the California Secretary of State, was filed with the Commission on January 31, 2013, in connection with Application No. 13-01-016, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series H Preference Stock filed with the California Secretary of State on February 28, 2014, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 24, 2014, in connection with Application No. 14-03-013, and is by reference made a part hereof.

Certain classes and series of SCE's capital stock are listed on a "national securities exchange" as defined in the Securities Exchange Act of 1934 and copies of SCE's latest Annual Report to Shareholders and its latest proxy statement sent to its stockholders has been filed with

the Commission with a letter of transmittal dated March 14, 2014, pursuant to General Order Nos. 65-A and 104-A of the Commission.

F. Balance Sheet and Income Statement – Rule 3.2.(a)(1)

Appendix A to this Application contains copies of SCE's balance sheet as of September 30, 2019, and income statement for the period ended September 30, 2019, the most recent period available.

G. Statement of Presently Effective and Proposed Rates – Rules 3.2(a)(2) and 3.2(a)(3)

The presently effective rates and the illustrative changes proposed to be made to those rates are discussed in this Application in Section VI.E. and uses rates current as of January 2021. The proposed rates are illustrative and will be updated consistent with the Commission's final decision in this proceeding to reflect SCE's then-current authorized revenues when such rates are implemented. SCE's current rates and charges for electric service are in its electric tariffs and schedules on file with the Commission. These tariffs and schedules are filed with and made effective by the Commission in its decisions, orders, resolutions, and approvals of advice letter filings pursuant to Commission General Order 96-A. SCE is not requesting a general revenue increase over 1 percent in this Application.

H. Description of SCE's Service Territory and Utility System – Rule 3.2(a)(4)

Because this Application is not a general rate increase application, this requirement is not applicable.

I. Summary of Earnings – Rule 3.2.(a)(5)

Rule 3.2(a)(5) requires:

A summary of earnings (rate of return summary) on a depreciated rate base for the test period or periods upon which applicant bases its justification for an increase.

SCE's Summary of Earnings is attached hereto as Appendix B.

J. Depreciation – Rule 3.2(a)(7)

Because this Application is not a general rate increase application, this requirement is not applicable.

K. Capital Stock and Proxy Statement – Rule 3.2(a)(8)

Because this Application is not a general rate increase application, this requirement is not applicable.

L. Statement Pursuant to Rule 3.2(a)(10)

Rule 3.2(a)(10) requires that the “application of electrical ... corporations shall separately state whether or not the increase reflects and passes through to customers only increased costs to the corporation for the services or commodities furnished by it.”

SCE's application requests recovery of income-qualified customer program costs, which are traditional “pass through” costs to ratepayers.

M. Service of Notice – Rule 3.2(b), (c) and (d)

As required by Rule 3.2(b), a notice stating in general terms the proposed increase in rates will be mailed to the designated officials of the State of California, and the cities and counties affected by the rate changes proposed in this Application as listed in Appendix C hereto.

Pursuant to Rule 3.2(c), notice will be published in a newspaper of general circulation in each county in SCE's service territory within which the rate changes would be effective. A list of cities and counties affected by the increase proposed in this Application is attached hereto as Appendix C.

Finally, pursuant to Rule 3.2(d), notice will be furnished to customers affected by the proposed increase by including such notice with the regular bills mailed to those customers.

N. Index of Exhibits and Appendices to This Application

SCE's submissions to support this Application include the following, which are incorporated herein by reference:

Appendices to Application

Appendix A	Balance Sheet and Income Statement
Appendix B	Summary of Earnings
Appendix C	List of Cities and Counties

Exhibits to Application

SCE-01	Policy Considerations for SCE's 2021-2026 Energy Savings Assistance (ESA) and California Alternative Rates for Energy (CARE) Programs and Budgets for Program Years 2021-2026
SCE-02	ESA Programs and Budgets for the Program Years 2021-2026
SCE-03	CARE and Family Electric Rate Assistance (FERA) Programs and Budgets for Program Years 2021-2026
SCE-04	Workforce Education and Training (WE&T) Programs and Budgets for Program Years 2021-2026
SCE-05	Supporting Documents Attachment A - Compliance Table Attachment B - Excel Spreadsheets
SCE-06	Appendices A-G to the Testimony including witness qualifications

O. Service List

The official service list has not yet been established in this proceeding. SCE is serving this Application and supporting Testimony on the service list established by the Commission for A.14-11-007, et al.¹⁶

¹⁶ This was the service list used for service of D.19-06-022.

VIII.

CONCLUSION

SCE respectfully requests that the Commission review this Application and expeditiously issue an order approving SCE's IQP Portfolio and Budgets for Program Years 2021-2026, including its proposed ratemaking, as described herein.

Respectfully submitted,

R. OLIVIA SAMAD
LAUREN GOSCHKE

/s/ Lauren P. Goschke

By: Lauren P. Goschke

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

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November 4, 2019

VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this **4th day of November, 2019**, at Rosemead, California.

/s/Kevin E. Walker

By: Kevin E. Walker
Senior Vice President, Customer Service and
Nuclear

SOUTHERN CALIFORNIA EDISON COMPANY
2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770

Appendix A

Balance Sheet and Income Statement

SOUTHERN CALIFORNIA EDISON COMPANY

(h) A balance sheet as of the latest available date, together with an income statement covering the period from close of last year for which an annual report has been filed with the Commission to the date of the balance sheet attached to the application.

STATEMENT OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2019

(In millions)

OPERATING REVENUE	<u>\$ 9,348</u>
OPERATING EXPENSES:	
Purchase power and fuel	3,848
Other operation and maintenance	2,259
Depreciation, decommissioning and amortization	1,259
Property and other taxes	300
Impairment and other charges	166
Other operating income	<u>(4)</u>
Total operating expenses	<u>7,828</u>
OPERATING INCOME	1,520
Interest expense	(549)
Other income and (expense)	<u>152</u>
INCOME BEFORE INCOME TAX	1,123
Income tax benefit	<u>(183)</u>
NET INCOME	1,306
Less: Preferred and preference stock dividend requirements	<u>91</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u>\$ 1,215</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
SEPTEMBER 30, 2019
ASSETS
(in millions)

UTILITY PLANT:

Utility plant, at original cost	\$ 48,637
Less- accumulated provision for depreciation and decommissioning	<u>9,872</u>
	38,765
Construction work in progress	4,260
Nuclear fuel, at amortized cost	<u>125</u>
	<u>43,150</u>

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$77	81
Nuclear decommissioning trusts	4,479
Special Funds and Other investments	<u>74</u>
	<u>4,634</u>

CURRENT ASSETS:

Cash and equivalents	86
Receivables, less allowances of \$51 for uncollectible accounts	1,087
Accrued unbilled revenue	638
Inventory	348
Income tax receivables	131
Prepaid expenses	292
Derivative assets	49
Regulatory assets	1,120
Wildfire insurance fund contributions	323
Other current assets	<u>105</u>
	<u>4,179</u>

DEFERRED CHARGES:

Regulatory assets	5,731
Wildfire insurance fund contributions	2,849
Operating lease right-of-use assets	701
Long-term insurance receivable due from affiliate	1,000
Other long-term assets	<u>1,378</u>
	<u>11,659</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
SEPTEMBER 30, 2019
CAPITALIZATION AND LIABILITIES
(in millions)

CAPITALIZATION:

Common stock	\$ 2,168
Additional paid-in capital	3,737
Accumulated other comprehensive loss	(25)
Retained earnings	9,520
Common shareholder's equity	<u>15,400</u>
Preferred and preference stock	2,245
Long-term debt	<u>15,129</u>
Total capitalization	<u>32,774</u>

CURRENT LIABILITIES:

Short-term debt	-
Current portion of long-term debt	79
Accounts payable	1,663
Customer deposits	302
Regulatory liabilities	1,010
Current portion of operating lease liabilities	90
Other current liabilities	1,182
	<u>4,326</u>

DEFERRED CREDITS:

Deferred income taxes and credits	6,360
Pensions and benefits	434
Asset retirement obligations	3,030
Regulatory liabilities	8,544
Operating lease liabilities	611
Wildfire-related claims	4,669
Other deferred credits and other long-term liabilities	2,874
	<u>26,522</u>

Appendix B

Summary of Earnings

Thousands of Dollars

Southern California Edison Summary of Earnings 2018 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	5,115,860
2.	Expenses:	
3.	Operation & Maintenance	1,732,986
4.	Depreciation	1,579,362
5.	Taxes	296,269
6.	Revenue Credits	(151,220)
7.	Total Expenses	3,457,396
8.	Net Operating Revenue	1,658,464
9.	Rate Base	22,321,623
10.	Rate of Return	7.43%

Southern California Edison Summary of Earnings 2019 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	5,450,965
2.	Expenses:	
3.	Operation & Maintenance	1,782,074
4.	Depreciation	1,656,845
5.	Taxes	366,005
6.	Revenue Credits	(155,758)
7.	Total Expenses	3,649,166
8.	Net Operating Revenue	1,801,799
9.	Rate Base	24,205,329
10.	Rate of Return	7.44%

Southern California Edison Summary of Earnings 2020 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	5,860,081
2.	Expenses:	
3.	Operation & Maintenance	1,832,133
4.	Depreciation	1,760,137
5.	Taxes	478,767
6.	Revenue Credits	(158,663)
7.	Total Expenses	3,912,375
8.	Net Operating Revenue	1,947,707
9.	Rate Base	26,122,849
10.	Rate of Return	7.46%

Appendix C

List of Cities and Counties

INCORPORATED CITIES AND COUNTIES SERVED BY SCE

COUNTIES

Fresno	Kern	Madera	Riverside	Tuolumne
Imperial	Kings	Mono	San Bernardino	Tulare
Inyo	Los Angeles	Orange	Santa Barbara	Ventura

CITIES

Adelanto	Commerce	Hesperia	Lynwood	Porterville	Tehachapi
Agoura Hills	Compton	Hidden Hills	Malibu	Rancho Cucamonga	Temecula
Alhambra	Corona	Highland	Mammoth Lakes	Rancho Mirage	Temple City
Aliso Viejo	Costa Mesa	Huntington Beach	Manhattan Beach	Rancho Palos Verdes	Thousand Oaks
Apple Valley	Covina	Huntington Park	Maywood	Rancho Santa Margarita	Torrance
Arcadia	Cudahy	Indian Wells	McFarland	Redlands	Tulare
Artesia	Culver City	Industry	Menifee	Redondo Beach	Tustin
Avalon	Cypress	Inglewood	Mission Viejo	Rialto	Twentynine Palms
Baldwin Park	Delano	Irvine	Monrovia	Ridgecrest	Upland
Barstow	Desert Hot Springs	Irwindale	Montclair	Rolling Hills	Ventura
Beaumont	Diamond Bar	Jurupa Valley	Montebello	Rolling Hills Estates	Victorville
Bell	Downey	La Canada Flintridge	Monterey Park	Rosemead	Villa Park
Bell Gardens	Duarte	La Habra	Moorpark	San Bernardino	Visalia
Bellflower	Eastvale	La Habra Heights	Moreno Valley	San Dimas	Walnut
Beverly Hills	El Monte	La Mirada	Murrieta	San Fernando	West Covina
Bishop	El Segundo	La Palma	Newport Beach	San Gabriel	West Hollywood
Blythe	Exeter	La Puente	Norco	San Jacinto	Westlake Village
Bradbury	Farmersville	La Verne	Norwalk	San Marino	Westminster
Brea	Fillmore	Laguna Beach	Ojai	Santa Ana	Whittier
Buena Park	Fontana	Laguna Hills	Ontario	Santa Barbara	Wildomar
Calabasas	Fountain Valley	Laguna Niguel	Orange	Santa Clarita	Woodlake (Three Rivers)
California City	Fullerton	Laguna Woods	Oxnard	Santa Fe Springs	Ventura
Calimesa	Garden Grove	Lake Elsinore	Palm Desert	Santa Monica	Yorba Linda
Camarillo	Gardena	Lake Forest	Palm Springs	Santa Paula	Yucaipa
Canyon Lake	Glendora	Lakewood	Palmdale	Seal Beach	Yucca Valley
Carpinteria	Goleta	Lancaster	Palos Verdes Estates	Sierra Madre	
Carson	Grand Terrace	Lawndale	Paramount	Signal Hill	
Cathedral City	Hanford	Lindsay	Perris	Simi Valley	
Cerritos	Hawaiian Gardens	Loma Linda	Pico Rivera	South El Monte	
Chino	Hawthorne	Lomita	Placentia	South Gate	
Chino Hills	Hemet	Long Beach	Pomona	South Pasadena	
Claremont	Hermosa Beach	Los Alamitos	Port Hueneme	Stanton	